BERLINER CALLS FOR PEPCO CUSTOMER RESTITUTION

Council member Roger Berliner said customers should be compensated for paid services that were never provided.

By Frances Correa | February 2, 2011

Council member Roger Berlinger called for the creation of a restitution fund for Pepco customers today, after the Maryland Public Service Commission discovered that Pepco had been charging customers for service that was never provided, since 2007. The commission presented their report to the Montgomery County Council yesterday.

Yesterday, the Maryland Public Service Commission revealed the existence of a significant regulatory gap that unwittingly eliminated a critical incentive to restore service quickly, said Councilmember Berliner. Indeed, this gap allowed Pepco to collect what is likely to be millions of dollars from ratepayers for electric service that wasn't provided since 2007 precisely the time frame in which Pepco's reliability fell into the lowest quartile in the nation.

The Commission is right to take action that will immediately eliminate this perverse disincentive to restore power quickly. But they should go one critical step further. They should create a restitution fund out of these ill-gotten gains and provide immediate and direct rebates to consumers. Pepco should never have been given these dollars and they should be required to give them back every dollar. Our residents have suffered enormously and this restitution fund is just one small step towards making it right.